

Information Services Board Meeting Minutes – April 10, 2002

Department of Information Services Boardroom, The Forum Building
Olympia, Washington

Members Present:

Glenn Anderson
Everett Billingslea
Emilio Cantu
Earl Heister
Tom Kelly
Gary Robinson
Laura Ruderman
Fred Stephens
James West

Members Absent:

Lisa Brown
Tom Fitzsimmons
Jayasri Guha
Ed Lazowska
Mary McQueen

Roll Call

A sufficient number of members was present to constitute a quorum.

Approval of Minutes

Minutes from the December 6, 2001 meeting were approved.

Washington State Lottery

Bob Benson, Acting Director for the Washington State Lottery, gave a presentation and requested an extension of their current contract with Lottery online service provider, GTECH Corporation. The current contract was entered into following a competitive Request for Proposal (RFP) solicitation process. On July 1, 1996 GTECH became the Lottery service provider. The Lottery had planned to come before the Board asking to release their RFP, however in the recent Legislative session the Legislature passed a bill for the new multi-state Lottery game, the Big Game. With the allocation of resources needed for the Big Game, the Lottery is looking to extend the current contract and is requesting Information Services Board (ISB) approval to modify the existing contract. Mr. Benson discussed the current percentage rates that GTECH offers compared to other vendors. Senator Cantu asked why GTECH was considerably lower than others mentioned. Mr. Benson stated that GTECH had lost the contract twice before and subsequently lowered their rate to acquire the contract. In addition, if an extension was granted, the next generation RFP wouldn't have to be conducted until 2006. Earl Heister asked if any protest from other vendors had been received. Mr. Benson stated that he spoke to Scientific Games and a representative from Automated Wagering International (AWI), and did not think they protest. Senator

Cantu asked what the risks were if the current contract was not extended. Mr. Benson stated that the Lottery does not have the appropriate staffing to implement the Big Game and conduct an RFP. At this time, Everett Billingslea asked for public comment. Pat Tribe from AWI stated that his company questioned the needs and benefits of this extra contractual extension and the need for a final decision by the Board immediately. In follow up, Mr. Benson stated if the Lottery cannot extend the current contract they would immediately have to begin work on the RFP, and again, with staffing issues surrounding preparation for the Big Game, the RFP would not get the attention that it needs.

A motion was made by Senator West to go ahead with the contract extension. The motion passed unanimously.

Senator Cantu made a motion that the Lottery return to the ISB with a more specific, long range plan that would include the process whereby and when they would start and how they would start, what it will cost, who will do it, and what are the steps that need to occur to be better prepared for the RFP. A friendly amendment was made by Earl Heister that the Lottery also inform the ISB when they write the plan so it can be communicated to the Legislature as they make decisions for future games.

The motion carried unanimously.

**Health Insurance Portability and
Accountability Act Deputy
Director's Group**

Tom Parma, ISB staff, presented an overview on the Health Insurance Portability and Accountability Act (HIPAA). He stated that the Department of Social and Health Services (DSHS) came to the Board at the December meeting to present the findings of its feasibility study to bring the state's Medicaid Management Information System, known as MMIS, into compliance with federally mandated HIPAA regulations. At that meeting DSHS also requested Board approval to release an RFP to acquire the services needed to perform the development and modification activities. The Board deferred approval until such time as DSHS could return and address the questions posed at that meeting. Nancy Ellison, Deputy Secretary of the Department of Health and chair of the HIPAA Deputy Director's Group, stated the group has been meeting since 2000 to consider whether an enterprise approach would be feasible. In addition, the group asked all agencies' Attorneys General to advise them about HIPAA to ensure all agencies have consistent advice. Also, early on they encouraged all agencies that might have HIPAA obligations to use a common assessment tool and checklist that was developed and that has been completed. A conclusion was made that there is so much variation among state agencies whether and what applications need to come into compliance that a large single agency solution for all involved was not practical. The next step for the group is to get advice from the

Attorney General's office as to whether one extension can be filed with the federal government that would cover all agencies or if individual requests are necessary. The agencies that need to be compliant right away are in a position to do so, taking the extension into account.

**Department of Social and Health
Services Request for Proposal**

Dennis Braddock, Secretary of DSHS, stated that the federal government's decision to allow extension of the original compliance deadline for Rule 1 (transaction standards) to October 2003 provided DSHS with an opportunity to look into some issues about a statewide program, or even joining some of the other states. DSHS requested Board approval of modifications to its existing contract with Affiliated Computer Systems (ACS, formerly Consultec, Inc.) to allow ACS to perform modifications to the Medicaid Management Information System (MMIS). In addition, DSHS requested Board approval to release an RFP for the development of a front-end system and implementation of middleware between the front-end and MMIS. The combination of these actions would result meeting the HIPAA requirements for the MMIS system. DSHS will be using available funds and it will take the full time allotted by the extension to complete. Mr. Braddock then introduced Doug Porter, Assistant Secretary for the Medical Assistance Administration. Mr. Porter stated that DSHS intends to issue an RFP to reprocore support for MMIS. The procurement would not be for a new MMIS system, but rather a contract for the maintenance and operation of their existing systems. DSHS owns the existing application. With that in mind they are looking for a vendor to continue the operation of the existing technology that will have to be modified in the implementation plan to comply with HIPAA. In addition, the HIPAA modifications will not be wasted; they will be modifications that DSHS will be able take advantage of even after they reprocore the MMIS contract. Although the state has to front the money for the project, the federal government is sharing the costs with the state, paying for 90% of the total. Representative Ruderman asked if federal payment was based on a certain criteria. Mr. Porter stated that the federal government does want to see and approve the contracts ahead of time and be updated on the progress.

A motion was made to accept the feasibility study, approve an amendment of the contract with ACS, and approve releasing an RFP for development of a front-end and acquisition of middleware. In addition, the Board recommended that DSHS come back and provide proposed project costs and progress.

The motion passed unanimously.

Senator Cantu made a motion that Tom Parma and Nancy Ellison come back to the Board with a summary of what other state agencies are doing.

The motion carried unanimously.

**Department of Information
Services Portfolio II**

Stan Ditterline, ISB staff, stated that the Department of Information Services is requesting Board approval of proposed changes to the Portfolio Management policies. He stated, in summary, that in January 1998 the Board adopted the concept of portfolio management and the executive guide to managing information technology portfolios. In 1999 the ISB adopted a collection of policies and standards that document the requirements and content of the IT portfolio. These included three major documents: the portfolio management policy; IT portfolio structure and content standards and; portfolio review policy. Also in 1999 the Legislature updated the DIS enabled statute 43.105 requiring agencies to submit IT portfolios. Since the inception, the legislation has changed as well as the nature of the projects. DIS initiated a project in July of 2001 to update portfolio management and investment related policies and standards. The project is now part of the DIS Director Performance Agreement with the Governor and is referred to as Portfolio II. The suggested changes were: elimination of the Annual Portfolio Review Policy by including the annual update requirements as part of the Portfolio Management Policy; modification of the Portfolio Management Policy to require an annual memo from agency directors due August 31 certifying that the agency has complied with the portfolio update requirements in the policy; modification of the Disaster Recovery Policy and Standards to require an annual memo from agency directors certifying that the agency has complied with the disaster recovery policy requirements and aligning the due date with the portfolio update so that agency directors can combine them; modification of the IT Security Policy so that the due date of the security policy compliance certification corresponds with and can be incorporated into the disaster recovery and portfolio update compliance memo; modification of the IT Investment Policy to eliminate the \$250,000 delegated authority when agencies lack a portfolio but have complied with IT Investment Policies and Standards; modification of the IT Investment Policy to establish \$50,000 and \$250,000 delegated authority tiers for smaller agencies and; modification of the Severity, Risk and Oversight Matrices in the Portfolio Structure and Content Standards in recognition of higher visibility, lower cost, and shorter duration projects associated with digital government. In addition, an automated tool, called e-Portfolio, has been developed for agencies to enter their inventory data electronically via access to a website with a secured password. This will enable DIS to review the information and collect data on a regular basis. A motion was made to approve proposed changes.

The motion carried unanimously.

**Department of Information
Services Information Services
Board Core Systems
Subcommittee**

Glen Tapanila, DIS Academy Staff, stated the Core Systems Subcommittee was formed in September of 2001. The purpose was to place more emphasis on core systems proposals and to develop an enterprise approach to core systems investment decisions. Working sessions were held with subcommittee members, IT managers who own some of the state's key core systems, some agency Directors, Deputies, and DIS executive staff. The results of the meetings were a set of factors that were the most important considerations for evaluating proposals; the idea for early engagement which gives agencies an opportunity to present their proposals to the subcommittee prior to the formal approval meeting with the Board and; that the subcommittee members all wanted to foster a supportive relationship with the Board and the agencies. Mr. Tapanila then reviewed the four content stages. Stan Ditterline, ISB staff, provided a presentation on the tools and stated that even though the tools were designed for core systems, they are universal and can be used to design any/all applications. Dave Kirk, Manager of the Academy, then discussed the Core Systems Subcommittee draft Charter that had been provided to the members. After discussion among the Board members, a motion was made to approve the Charter with the proposed amendments.

The motion carried unanimously and the Charter can be found on the DIS website.

**Department of Information
Services Geographic
Information Technology
Subcommittee**

Jeff Holm, ISB Staff, stated that at the December meeting Chairman Billingslea asked interested Board members and staff to participate on a Geographic Information Technology Subcommittee (GITS). Mr. Holm said that GIS are mission critical elements to many state agencies IT portfolios. The technology is widely used in such diverse fields as natural resources environmental management, public health and safety, emergency management, transportation planning, and energy production and distribution, to name a few. The most effective way to meet and create these fundamental data themes is through a "build it once, use by many" approach. The creation of the subcommittee provides the ISB and the GIS community to develop an enterprise approach to using the technology. The subcommittee was comprised and met for the first time on March 26, 2002. The significant results that came out of that meeting were: the members adapted elements to the Charter with the purpose of providing executive leadership for an enterprise approach that will lead to more effective use of the state's GIS resources; members agreed to further explore the concept of a coordinated budget request; a high level work plan will be compiled of items that the subcommittee should look at between now and December 2002; to update the current plan for GIS infrastructure for Washington State and; to make

recommendations to the full Board about appropriate policies and standards for adoption.

**Department of Fish and Wildlife
Washington Interactive
Licensing Database**

David Koch, ISB staff, stated the Department of Fish and Wildlife (DFW) was directed by the Legislature during the 1996 session to submit a report to the 1998 Legislature on how to simplify, consolidate, and modernize recreational fishing and hunting license programs. The Washington Interactive Licensing Database, or WILD, is part of the action stated by the department to improve management for the state's resources. The WILD project has been completed and Dr. Jeff Koenings, Jim Lusk, and Frank Holly from DFW were introduced. DFW staff provided a brief overview of the system along with lessons learned. In summary, DFW staff stated that the essential elements comprising the success of this project were: a good communication system; an internal relations committee; contingency planning and; a very responsive vendor. Currently DFW is working on making the process more timely so there is dedicated real time access, looking at the automation of charter stamps to the Charter Association, improving pamphlet distribution and recreational hunting and fishing pamphlets.

**Department of Corrections
Offender Management Network
Information Project**

Secretary Lehman, Department of Corrections, came before the Board to discuss their Offender Management Network Information Project (OMNI). He stated that Phase I of the project has been completed. Phase II is underway, and the timeline has been compressed due to a late completion date of Phase I; however, as Phase I was wrapping up they were able to begin work on Phase II. Senator Cantu asked how DOC can collect data on costs on a detailed level with the amount of hours spent on each, and how resources are spent in relation to how they are projected to be spent. Don Price, DOC staff, stated workshops are being held to identify just that and a process is in place to determine those results.

Other Business

Representative Ruderman stated that she was concerned about The Ultimate Purchasing System (TUPS) project and the reasons for its failure. Specifically, she was concerned that previous project reports to the Board were generally favorable and may not have contained information that would have provided a complete representation of the serious issues surrounding the project. The Board requested that Rob Fukai, Director of the Department of General Administration, provide a report on the project at the next scheduled ISB meeting.

Adjournment

The meeting was adjourned.